ER 10-3411/a

7 May 1958

Miss Jane Andrews

Dear Miss Andrews:

Mr. Allen W. Dulles, Director of Central Intelligence, in response to your letter of May 1, has asked me to furnish you with a copy of his address before the U.S. Chamber of Commerce. A copy is enclosed.

He also asked me to express his thanks for the enclosure to your letter.

Sincerely,

Stanley J. Grogan Assistant to the Director

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2 - Col. Grogan

STATINTL

May 1, 1958

Execusive Registry

Mr. Allen W. Dulles C/O State Department Washington 25, D. C.

Dear Mr. Dulles:

I am a high school student and very interested in the political problems and problems of the international relations of the U.S.

The other day I heard a reference to a statement of yours concerning the economic struggle between our country and the Soviet Union and its effects on the world, especially our present allies. I would like a complete text of your averment.

I am enclosing a statement of the principles of solving economic problems published by my parents Harry C. and Harriet L. Andrews. I am certain you will find it valuable in your work. You and your associates may obtain additional copies upon request.

Sincerely,

Jane andrews

THE PRINCIPLES OF SOLVING ECONOMIC PROBLEMS Approved For Release 2002/01/30: CIA-RDP80B01676R003800010026-4

by
Harry C. and Harriet L. Andrews
Protein Economics and Research Council, Ames, Iowa

In order to solve a problem of any kind the basic principles must first be discovered, clearly understood and thoroughly taught to the key people involved. Second, these principles must be applied in a sound and practical manner. The solving of our outstanding economic problems is no exception.

The basic principles of solving economic problems are, at the present time, being sadly overlooked and neglected by leaders and laymen alike all over the world. As a result, we are faced with many unsolved economic problems and raging controversies surround the current attacks upon everyone of them.

Mature scientists have long recognized that "big argument-big ignorance" go hand in hand. If and when the basic principles which are involved in solving a problem of any kind are finally understood and thoroughly taught, the interested parties stop arguing and get down to work and apply them. In due time the problem is satisfactorily solved.

In the case of our economic problems, everyone of us is directly concerned and it is to our own personal advantage to help solve them. In order to do this, we should all review and make sure we thoroughly understand the principles of solving economic problems and then become as proficient as possible in helping apply these principles.

Most of us are today suffering to varying degrees from the painful symptoms of economic difficulties such as the high cost of living, financial insecurity, burdensome tax rates and drastic fluctuations in monetary values (inflation or depression). We would all gladly help eliminate these age old scourges from our midst if we each knew how.

Therefore it is highly essential that we all clearly recognize and understand the underlying or basic economic problems which are actually causing these painful symptoms. We should all learn what must be done to effectively eliminate the underlying causes, thus reducing their ill effects to a bare minimum.

With this in mind each of us should prove to himself the validity and also memorize the simple scientific fact that a SATISFACTORY SUPPLY of FUNDAMENTAL MATERIALS OBTAINED AND CONSUMED, or UTILIZED is NECESSARY and SUFFICIENT to SOLVE the BASIC ECONOMIC PROBLEMS facing us as INDIVIDUALS, GROUPS and NATIONS of PEOPLE.

In order to help us understand and prove the above statement we should observe and memorize the following basic facts and principles of solving economic problems in

- 1. Economic problems have to do with we people living here on the planet Earth and our success, or lack of success in obtaining and consuming, or utilizing a satisfactory supply of the Fundamental Materials needed to help satisfy our legitimate WANTS.
- 2. People's legitimate WANTS include to survive, raise a family, good health, attractive appearance, personal comfort and enjoyment, social prestige, financial and material security, convenience, orderliness, efficiency and freedom, including economic freedom. Last but not least the great majority WANT peace of mind, emotional tranquillity and spiritual security.
- 3. Because of our physical, chemical and spiritual nature we need to consume or utilize directly certain materials which we will call Fundamental Materials in order to help us satisfy our WANTS. These Fundamental Materials include for the most part food (proteins, carbohydrates, fats, vitamins and minerals), clothing including bed clothing, shelter including heat and artificial light, medical, hygenical, inspirational and entertainment materials, plus the more abundant air, sunlight, water and earth we live upon.
- 4. Many Services (work or jobs) and Secondary Materials such as farm land, tractors, money, factories, freight trains, guns and cooking utensils are employed to:

PRODUCE, process or otherwise prepare the Fundamental Materials-PROTECT them from destructive forces like weather, bacteria, rodents,
fire, predatory animals, thieves and invading armies-DISTRIBUTE, transport, sell or otherwise move them to we individuals who

CONSUME or UTILIZE them in order to help satisfy our WANTS.

This should be done with due regard to all pertinent aspects of safety, quality, quantityed Poitre Resisca 2002/01/2007 ADD PROBREM 1676 ROSS 2000 109 26-4 including customs, habits and religious preferences.

Thus we see that there is ultimately one and only one way to solve people's economic problems and that is by their obtaining and consuming or utilizing a satisfactory supply of Fundamental Materials for the present and forseeable future. This supply will be satisfactory if it is safe, of adequate quality, available in sufficient quantities, procurable at a reasonable cost in human effort (work), and is available in such a form and manner that it is acceptable to them, or in other words, will maintain their morale at a high level. Such a supply will help satisfy people's legitimate WANTS and when these WANTS are satisfied insofar as these materials can help do it, day by day, year in and year out, they have their economic problems solved. They have it made, regardless of the level of taxes, prices, wages or the money they may, or may not have in their pockets.

We should periodically inventory our supplies of the individual Fundamental Materials which we are currently consuming or utilizing. We should check all pertinent aspects of Safety, of Quality, of Quantity, of Unit Cost and of the Morale factors, family by family at the community, county, state and national level. We should determine which are in unsatisfactory supply by virtue of their being Unsafe, of inadequate Quality, available in insufficient Quantities, too Costly and, or available in such a form or manner that is Unacceptable.

Such an inventory in the U.S.A. will show that most of the Fundamental Materials are now in optimum or near optimum supply. Only a relatively few are not, hence these still stand as major economic problems causing the painful symptoms of economic difficulties of which we are all so familiar.

These Fundamental Materials which are definitely in unsatisfactory supply should be earmarked for special attention. The one in most unsatisfactory supply should be recognized and branded as the major basic economic problem facing the individual, group or nation under consideration.

In order to solve these basic economic problems, hence eliminate the painful symptoms, it is Necessary for the people to Produce, Protect, Distribute and Consume or Utilize a satisfactory supply of each of the Fundamental Materials currently in unsatisfactory supply. Furthermore, we should all realize that the accomplishment of this is Sufficient to solve the economic problems facing these people and that we should not waste undue time and resources on various stop gap measures.

For, if there is a satisfactory supply of each of the Fundamental Materials there can be no economically poor people, the high cost of living will have been brought in line, many governmental services will be reduced or eliminated entirely and the remaining tax rates easily borne, and the individual will have won the economic security he now seeks. Fluctuations in the relative value of money (inflation and depression), insofar as they would continue to occur, would pose no serious threat to the individuals or groups so long as each had a satisfactory supply of the Fundamental Materials.

A careful inventory of the supply of each of these materials in the U.S.A. and throughout the greater portion of the world shows that food protein is in the most unsatisfactory supply of all the major constituents of the Fundamental Materials. Safe, Acceptable sources of food protein of adequate nutritive and eating Qualities are not now being produced, distributed and consumed in adequate Quantities and the Unit Cost in many cases is prohibitively high.

The Protein Economics and Research Council, Ames, Iowa estimates the annual world protein deficit at thirty to forty million tons of such nutritive quality as to accurately supplement the native diets. Well over a million tons of this estimated yearly shortage occurs here in the U.S.A. This food protein problem should receive immediate national and world-wide attention.

Sufficient basic knowledge, raw materials and energy resources are now available to produce and distribute a satisfactory supply of food protein to the vast majority of people all over the world on a sound businesslike basis. The deficits among the other Fundamental Materials can also be satisfactorily filled.

The great need today is for more people in key positions who have learned and thoroughly understand that a satisfactory supply of Fundamental Materials is Necessary and Sufficient to solve our basic economic problems. Their advice and assistance is needed to help accomplish the many things which must be done to get those materials which are still in unsatisfactory supply produced, distributed, and consumed or utilized in order to help satisfy the legitimate WANTS of the people everywhere.